

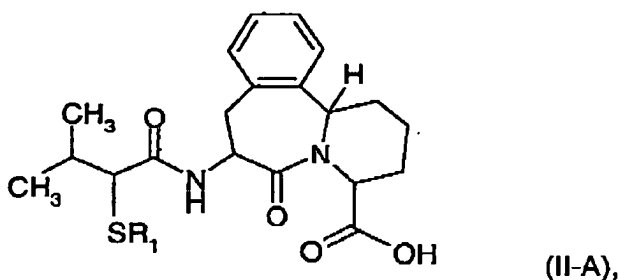
AMENDMENTS TO THE CLAIMS

This listing of the claims will replace all prior versions including the claims in the application.

Listing of the claims:

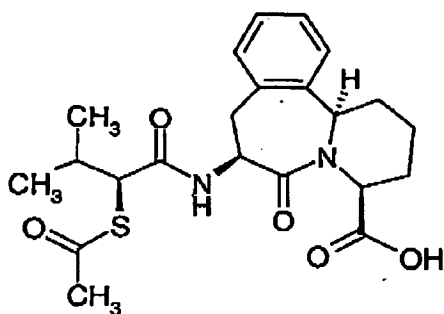
1. (Cancelled)
2. (Currently amended) The method according to claim 311 wherein the disease is selected from the group consisting of ~~non-diabetic nephropathy~~, diabetic nephropathy, insulin resistance, diabetic neuropathy, diabetic retinopathy, myocardial infarction, cataracts and diabetic cardiomyopathy.
3. (Cancelled)
4. (Original) The method according to claim 2 wherein the disease is diabetic nephropathy.
5. (Original) The method according to claim 2 wherein the disease is insulin resistance.
6. (Original) The method according to claim 2 wherein the disease is diabetic neuropathy.
7. (Original) The method according to claim 2 wherein the disease is diabetic retinopathy.
8. (Original) The method according to claim 2 wherein the disease is myocardial infarction.
9. (Original) The method according to claim 2 wherein the disease is cataracts.

10. (Original) The method according to claim 2 wherein the disease is diabetic cardiomyopathy.
11. – 13. (Cancelled)
14. (Currently Amended) The method according to claim ~~31~~43, wherein R₁ is acetyl.
15. (Currently Amended) The method according to claim ~~31~~43, wherein R₁ is hydrogen.
16. (Currently Amended) The method according to claim ~~31~~43, wherein B₁ and B₂ are hydrogen.
17. (Currently Amended) The method according to claim ~~31~~43, wherein X is –CH₂.
18. (Currently Amended) The method according to claim ~~31~~4, wherein the compound is the compound of formula (II-A)



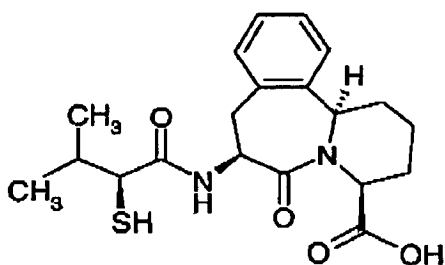
wherein R₁ is acetyl or hydrogen.

19. (Original) The method according to claim 18, wherein the compound has the formula (II-B)



(II-B).

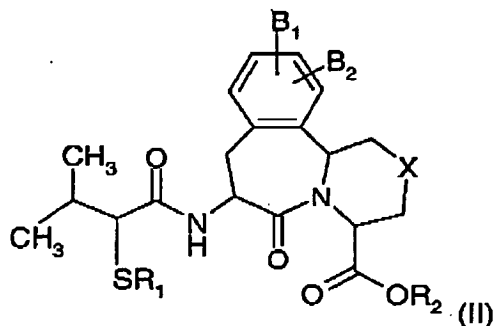
20. (Original) The method according to claim 18, wherein the compound has the formula (II-C)



(II-C).

21.-30. (Cancelled)

31. (New) A method of inhibiting both angiotensin converting enzyme and neutral endopeptidase for treatment of a disease amenable to treatment with a compound that inhibits both angiotensin converting enzyme and neutral endopeptidase which comprises administering to a patient in need of said treatment a therapeutically effective amount of a compound of formula (II)

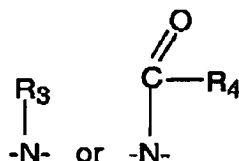


wherein

R_1 is hydrogen or acetyl;

R_2 is hydrogen, $-\text{CH}_2\text{O}-\text{C}(\text{O})\text{C}(\text{CH}_3)_3$, $\text{C}_1\text{-C}_4\text{-alkyl}$, aryl, $-(\text{C}_1\text{-C}_4\text{-alkyl})\text{-aryl}$, or diphenylmethyl;

X is $-(\text{CH}_2)_n$ wherein n is an integer 0 or 1, $-\text{S}-$, $-\text{O}-$,



wherein R_3 is hydrogen, $\text{C}_1\text{-C}_4\text{-alkyl}$, aryl, or $-(\text{C}_1\text{-C}_4\text{-alkyl})\text{-aryl}$; and R_4 is CF_3 , $\text{C}_1\text{-C}_{10}\text{-alkyl}$, aryl, or $-(\text{C}_1\text{-C}_4\text{-alkyl})\text{-aryl}$;

B_1 and B_2 are each independently hydrogen, hydroxy, or $-\text{OR}_5$, wherein R_5 is $\text{C}_1\text{-C}_4\text{-alkyl}$, aryl, or $-(\text{C}_1\text{-C}_4\text{-alkyl})\text{-aryl}$ or, where B_1 and B_2 are attached to adjacent carbon atoms, B_1 and B_2 can be taken together with said adjacent carbon atoms to form a benzene ring or methylenedioxy,

or a pharmaceutically acceptable salt or stereoisomer thereof.